

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Rosen *R/S*

FROM : E. S. Miller *E.S.*

SUBJECT: [REDACTED]

DATE: 10/4/71

1-Mr. Rosen
1-Mr. Miller
1-Mr. Branigan
1-Mr. Wannall

Tolson _____
Felt _____
Rosen _____
Casper _____
Bishop _____
Trotter, E.S. _____
Callahan _____
Casper _____
Conrad _____
Daleby _____
Cleveland _____
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Tavel _____
Walters _____
Soyars _____
Tele. Room _____
Holmes _____ b6
Gandy _____ b7C
[REDACTED] b7D

I met with [REDACTED] on Friday afternoon, 10/1/71. He is articulate, typically British, and has a long background in the security field. He indicated a sincere desire to cooperate with us and discussed in some detail the recent British action against 105 Soviet intelligence officers and its background.

[REDACTED] stated that the drastic action had actually been under consideration for several years and was the culmination of a series of events and not, as the press claims, due to the recent defection of a Soviet officer. He indicated that a case against the Soviets had been carefully established with the British Foreign Ministry, and he said he would furnish us documents indicating the manner in which this had been accomplished as soon as they become available.

With reference to Oleg Lyalin, the Soviet who defected to the British, [REDACTED] stated that he was a KGB captain with a background in the department which arranges sabotage. To [REDACTED] knowledge this is the first time the West has had a defector from this department. He said the information furnished by Lyalin indicates that the Soviets had a highly sophisticated and fully developed plan for effective sabotage in England; had personnel in place prepared to carry it out; and had plans for further personnel to parachute into England in time of emergency. [REDACTED] noted that Lyalin actually had not planned to remain in England but expected to return to the USSR where he would continue to operate as an agent in place. His defection was precipitated by his involvement in a drunken driving arrest which came to the attention of the KGB in Moscow. A personal note to him from a friend at KGB headquarters was inadvertently

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Memorandum Miller to Rosen

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delivered to another KGB agent in London with the result that Lyalin was informed by his superior that he would have to return to Moscow with every indication that severe administrative action might be taken against him. Lyalin was told to return to his residence, pack his bags, and be prepared to leave at once. No guard was assigned to him, with the result that he returned to his office, collected all his own papers together with a number of documents dealing with the work of other KGB agents, and thereafter delivered the entire load to the British, for whom he had been working for sometime. [redacted] pointed out that Lyalin did not have access to information concerning operations in the United States other than that furnished him orally by one of his associates who had worked on the United States desk in Moscow. This material has already been furnished to us and [redacted] promised that any information whatever of any conceivable interest to us would be made available as soon as it was identified.

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The material which [redacted] furnishes to us will be carefully evaluated in light of our own problems in this country and separate memoranda prepared. It will be interesting to review the "selling job" which was necessary before British political leaders would approve action taken in this instance. In this regard he also noted since this operation had clearly documented the grave necessity not to underestimate Soviet aggressiveness, that "politicians" would be much more sympathetic to the investigative requirements involved in this business.

ACTION:

For information. It appears that [redacted] is genuinely interested in working with us.

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✓
R EM
JMK
Let me have a
memo on the
material.